

Agency : SMALL BUSINESS ADMINISTRATION

Title : Small Business Size Standards; Selected Size Standards Issues

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Comment : In our opinion, the size standards for small businesses should not be increased. If anything, we suggest an even smaller size be used for small businesses, as we understand the requirements in terms of the Small Business Innovative Research program. One key rationale for the SBIR program is the innovativeness innate in small businesses. In my experience, as small businesses increase in size above about one hundred employees, the administrative structure increases and the ability of the business to accomplish tasks and, in particular, be innovative, decreases.

Furthermore, the idea of excluding affiliations of venture capital companies (VCC s) in the eligibility of companies for SBIR programs goes against the basic SBIR philosophy and I am strongly opposed to it. SBIR programs can serve to help establish credibility of young growing small businesses who the, with the help of venture capital, can become commercially successful. To allow companies that already have VCC affiliations would dilute the SBIR program, and goes contrary to requiring that small businesses remain in control in support of innovation. VCC s are interested in short term large return on investment, not on development of innovative technologies.

In summary, we oppose any changes in requirements that effect the SBIR program, except reducing the size of the maximum number of employees in a small business from 500 to a lower number.
